



## RESOLUTION

### AMENDING THE CITY COUNCIL POLICY RELATING TO REAL PROPERTY TAX COMPROMISES.

WHEREAS, Section 8-1.3(I), Revised Ordinances of Honolulu 1990, as amended ("ROH"), requires the City Council to approve any real property tax compromises made by the Director of Budget and Fiscal Services where the taxpayer's claim exceeds \$500.00; and

WHEREAS, the City Council policy relating to real property tax compromises was established by Resolution 88-113 and was last amended by Resolution 11-259; and

WHEREAS, per Section 8-7.1, ROH, the Residential A class of real property includes property with an assessed value of \$1,000,000 or more that does not have a home exemption; and

WHEREAS, through Resolution 15-64, the Council adopted real property tax rates for tax year 2015-2016, with a Residential rate of \$3.50 per \$1,000 of assessed value and a Residential A rate of \$6.00 per \$1,000 of assessed value; and

WHEREAS, per Section 8-10.1(a), ROH, an application for a home exemption must be submitted to the Director of Budget and Fiscal Services by the September 30th preceding the tax year for which such exemption is claimed; and

WHEREAS, per Section 8-10.1(d), ROH, the owner of a property which has been allowed a home exemption must report to the City within 30 days after a change of ownership of the property, and the filing of the report has the effect of voiding the home exemption for the property; and

WHEREAS, as a consequence of the foregoing, residential property with a value of more than \$1,000,000 that is newly acquired by purchase, gift, inheritance or other means is often not eligible for a home exemption and is classified as Residential A for the remainder of the tax year in which a person acquires a home and, if the acquisition was after September 30, is not eligible for the exemption for the next tax year as well, even though the newly acquired property is occupied as the new owner's home; and

WHEREAS, it is the Council's belief that all homeowners should be subject to the Residential property tax rate notwithstanding the date on which the owner acquired his or her home; and

WHEREAS, the City Council wishes to further amend the City policy relating to real property tax compromises to provide tax relief for owners of properties acquired during the tax year and used as the owner's home; now, therefore,



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 15-228

## RESOLUTION

BE IT RESOLVED by the Council of the City and County of Honolulu that the City Council policy with respect to the compromise of real property tax claims of the City in excess of \$500 is hereby amended to add the language underscored below:

- A. That when a property or a portion of a property is eligible for an exemption from real property taxes pursuant to Sec. 8-10.10, Revised Ordinances of Honolulu ("Exemption-Charitable purposes"), but does not qualify for the exemption solely because no timely application for exemption is filed:
1. For claims involving a property or a portion of a property for which property taxes are delinquent, it shall be the policy of the Council to approve the compromise of the claim in an amount not to exceed the minimum tax for every six months or portion thereof that the real property taxes are delinquent, provided the delinquency was not willful; and
  2. For claims involving a property or a portion of a property for which property taxes are not delinquent, it shall be the policy of the Council to approve the compromise of the claim an amount not to exceed the minimum tax.
- B. That when a property is reclassified from the Residential classification to the Residential A classification during the tax year and the reason for the reclassification is that the property was newly acquired by purchase, gift, inheritance or other means during the prior or current tax year:
1. It shall be the policy of the Council to approve the compromise for such properties if the new owner of the property applies for an exemption for the property pursuant to ROH section 8-10.4 within 30 days of the acquisition of the property and is granted such an exemption; and
  2. It shall be the policy of the Council to approve the compromise for such properties in an amount equal to the difference of the taxes owed for the property as classified as Residential A and the taxes that would be owed for the property if it was classified as Residential.

; and





## RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution shall be transmitted to the Mayor, the Managing Director and the Director of Budget and Fiscal Services.

INTRODUCED BY:

*[Signature]*  
*[Signature]*

DATE OF INTRODUCTION:

**AUG 13 2015**

Honolulu, Hawaii

Councilmembers

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

**RESOLUTION 15-228**

Introduced: 08/13/15 By: TREVOR OZAWA

Committee: BUDGET

Title: RESOLUTION AMENDING THE CITY COUNCIL POLICY RELATING TO REAL PROPERTY TAX  
COMPROMISES.

Voting Legend: \* = Aye w/Reservations

08/19/15	BUDGET	CR-331 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.
09/02/15	COUNCIL	CR-331 AND RESOLUTION 15-228 WERE ADOPTED. 7 AYES: ANDERSON, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, OZAWA, PINE. 1 NO: ELEFANTE. 1 ABSENT: MARTIN.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.

  
\_\_\_\_\_  
GLEN TAKAHASHI, CITY CLERK

  
\_\_\_\_\_  
ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER